GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:73
ANSWERED ON:05.12.2003
PROCEDURE OF INVESTMENT BY NRIs
MANSINH PATEL;RATNA SINGH

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government have made efforts to simplify the procedure of investment by Non Resident Indians:

(b) if so, the details thereof;

(c) the number of applications received from NRIs for investment during the last two years and the number of Non Resident Indians who have actually made investments.;

(d) the reasons for withdrawal by the NRIs of their investment proposals after having duly applied therefor ; and

(e) the efforts being made to remove the problems arising out of the foregoing reasons?

Answer

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY)

(a) to (e) :A statement is laid on the table of the House.

Statement referred to in regard to Lok Sabha Starred Question No.73 regarding Procedure of Investment by NRIs for answer or 5.12.2003.

(a) and (b) Government has put in place a liberal policy for Foreign Direct Investment(FDI), including investment by Non-Resident Indians (NRIs), wherein most sectors are open to FDI under the automatic route where no prior approval is required and only a notification of investment is to be made to the Reserve Bank of India. Proposals for FDI in sectors/activities where Government approval is required are considered in a time-bound and transparent manner through the mechanism of the Foreign Investment Promotion Board (FIPB).

(c) The number of investment proposals received from NRIs for Government approval during 2001, 2002 and 2003(up to October 2003) are 68, 57, and 53 respectively. Investor-wise information is not maintained for NRI investments.

(d) & (e): Submission or withdrawal of investment proposals to the Government depend on the commercial considerations of the investors. A statement indicating details regarding applications withdrawn is at Annexure.

Annexure referred to in the statement in reply to Lok Sabha Starred Question No. 73 for answer on 05.12.2003

Sl.No	Applicant Company	Reasons for withdrawal
1	Uniso Trading Pvt Ltd.	The application was withdrawn on 05.09.01 without citing any reason.
2	Jagowal Foods Pvt Ltd	The proposal was considered by FIPB on 19.12.02 & 02.01.03. The Applicant informed on 15.01.03 that they are withdrawing the proposal as an approval/ decision on the application had not been received.
3	Asap Solutions Pvt Ltd.	The applicant withdrew the proposal on 14.05.03 for applying afresh.
4	Mayfair Limited	The applicant requested, on 13.10.03, for ignoring the application in view of the Applicant Company getting merged with a group company pursuant to approval of amalgamation scheme by High Court, Mumbai.

5	Planet Outsourcing Parks Pvt Ltd.	The application was withdrawn on 23.09.03 without citing any reason.